

ATDC 30th Anniversary Showcase

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(As written; not necessarily as delivered)

I’m honored to be with you today as we celebrate and reflect on the impact of ATDC over the past 30 years. When I first joined Georgia Tech a little over a year ago, I developed “stump” speeches and hit the ground running to tell the Georgia Tech story throughout the state. Much of what I brag about is the impact of ATDC.

This is a year of celebrations. Today, we’re celebrating three decades of ATDC. This next school year, we’ll celebrate Georgia Tech’s 125th anniversary, and you’ll be delighted to know that it is also the 50th anniversary of the Rambling Wreck. We’re also launching Georgia Tech’s Strategic Vision, a plan to take us to our 150th anniversary 25 years from now. In the plan, we emphasize entrepreneurship, innovation and vision — three attributes that are synonymous with ATDC.

We owe a debt of gratitude to the courage and vision of the people who started ATDC. It is a great success story. The seed that sprouted to form the Advanced Technology Development Center was planted by a group of Georgia Tech alumni who were concerned about providing job opportunities for Georgia Tech graduates who wanted to stay in Georgia. This group, the Committee of Twenty, proposed the creation of an incubator to help support the growth and development of new technology companies. This was a revolutionary idea in the late 1970s – at the time, most states were trying to “recruit” established technology companies from other states.

The Committee of Twenty proposed the idea of an incubator to President Joseph Pettit, who was the former dean of engineering at Stanford University. Pettit had been involved in the growth of Silicon Valley and supported the idea.

One of the people involved in ATDC’s founding was John Hayes, a 1970 industrial engineering grad from Tech. He went on to law school at Emory, and joined the Committee of Twenty. In 1977, Hayes, along with Ben Dyer and several other friends from Tech, founded Peachtree Software, which grew to national prominence after developing software for IBM personal computers. Software and telecom were Atlanta’s technology specialties in the 1980s. They learned firsthand how hard life was for start-up companies in a city where almost no one — bankers, accountants, marketers or lawyers — understood the computer business. In 1978 the Committee of Twenty sought advice from Pat Lyles, a Harvard Business School expert in entrepreneurship who had once worked in Atlanta for Scientific-Atlanta.

In the Winter 1999 issue of Tech’s alumni magazine, John Hayes recalled what Lyles told the Committee of Twenty: “You’ve got all the right ingredients, but they’re not quite ripe. They’re not close enough together to create the right climate, the right critical mass. You’ve got Georgia

Tech, a great technological university. You've got people with a real entrepreneurial spirit, but they're all doing real estate, not high tech. You've got very conservative banks who all want to be doing more, but don't know how to do it. You've got law firms and accounting firms that want to help, but don't have a clue how to do it. The best thing you could do to create 1,000 new high-tech firms is to fire all the engineers working in research at Tech, so they'd all go start their own businesses."

Fortunately, Tech didn't do that. The Committee of Twenty began to work on an innovative concept to create an incubator on the Tech campus, which would rent office space to high tech entrepreneurs and lab space at a low cost and provide a network of business and technical advisors.

Governor George Busbee was interested in technology industry and also supported the idea. Busbee commissioned a study of the state's science, engineering and technology programs. Within a year, the General Assembly responded with the funds for a facility to promote university-business synergy. ATDC was created in 1980, admitted its first member company in 1981 and began graduating companies in 1983.

In its early days, the people of ATDC were "cheerleaders" for technology companies — the "go-to" experts on technology and technology industry, as well as helping to educate the bankers, accountants, marketers and lawyers about technology startups. ATDC networked technology entrepreneurs, bringing them together to share solutions to the common problems all of them faced. In fact, ATDC did the first inventory of Atlanta technology companies and updated it every year to help expand awareness of the industry.

Georgia Tech alumni took some personal risks that led to ATDC's early success. Hayes and a few others organized the first venture capital conference in Atlanta to introduce owners of startups to the venture capitalists. Their total financing available from the Committee of Twenty was \$100. John tried to win the sponsorship of a group that put on a similar conference in Silicon Valley. They were not interested, and said "It won't ever happen in Atlanta." So, being a resourceful Georgia Tech graduate, he charged the invitations to his law firm, hoping his managing partner wouldn't mind too much. He charged the rental of the conference rooms at the Atlanta Hilton on his personal American Express card, "in great hope that the conference would at least break even," he recalled. The venture capitalists weren't signing up. Hayes went to President Pettit, who told him to invite a venture capitalist in California. It turned out to be Tommy Davis of the Mayfield Fund, the "dean of California venture capital," and the investor who had made much of the Silicon Valley possible. As it turns out, Dr. Pettit had worked for Tommy Davis while he was a graduate student.

Ben Dyer also played a key role in getting ATDC started. Both John Hayes and Ben Dyer remain active in the technology startup community and have a string of successful startups to their credit.

In 1980, the General Assembly gave Governor Busbee \$185,000 to create the incubator he requested, and the ATDC opened on the first floor of an abandoned high school on the Tech campus.

Two of the organizations that ATDC has partnered with closely over the years are the Technology Association of Georgia, and the Georgia Research Alliance. GRA supports the

formation of technology companies through its GRA VentureLab commercialization program, which provides grants to help move technology from the laboratory into the marketplace.

To date, ADC has incubated more than 120 start-up companies, and since 1980, its companies have generated about \$13 billion in revenue and more than \$100 million in profits. Since 1986, ATDC companies have raised more than a billion dollars in outside funding.

One company started through ATDC is Suniva, an early-stage company assisted by Georgia Tech, located in Gwinnett County. Using technology developed at Georgia Tech's University Center of Excellence in Photovoltaics, Suniva became the Southeast's first solar cell manufacturer in early 2009. Earlier this month Secretary of Energy Dr. Steven Chu came to Atlanta to speak at one of Georgia Tech's three spring graduation ceremonies. Last week he called Suniva "an American success story" on the White House blog. He wrote "This center and this company are powerful examples of how clean energy technology can drive job creation in the U.S. and increase our competitiveness." Suniva has created more than 150 clean energy jobs manufacturing high-efficiency silicon solar cells and modules.

That's just one of many success stories. ATDC has won numerous awards and is the most widely recognized university incubator in the world. We are very proud that Forbes Magazine has just named ATDC to its new list of the "10 technology incubators that are changing the world." It is the only incubator in the Southeast to be included in the Forbes list.

We've come a long way since Pat Lyles gave the Committee of Twenty the advice "You've got all the ingredients but they're not quite ripe." They have ripened, blossomed, and have born fruit that is changing the economic environment for the state of Georgia and the Southeast.

I would just like to meet the folks who said, "It won't ever happen in Atlanta." It did, it still is, and we're looking forward to 30 more years of great things that are helping to transform our city, our state, and our region.